



Department of Energy
Western Area Power Administration
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March, 1, 2007

Honorable Magalie R. Salas
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Room 1A, East
Washington, DC 20426

Re: Western Area Power Administration
Docket No. NJ07-____-000

Dear Secretary Salas:

Pursuant to the Federal Energy Regulatory Commission's (Commission) Order Nos. 2003-C, 676, 676-A, 661, 661-A, 2006, 2006-A, 2006-B¹ and Sections 35.28(e) and (f) of the Commission's Regulations,² the United States Department of Energy, Western Area Power Administration (Western) hereby submits revisions to its non-jurisdictional open access transmission tariff (Tariff). The purpose of the filing is to revise certain terms of Western's Tariff, including the Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA) and to incorporate the Small Generator Interconnection Procedures (SGIP), and a Small Generator Interconnection Agreement (SGIA).

Enclosed please find the original and 14 copies of the proposed Tariff revisions. I have also enclosed an additional copy that I would appreciate being time-stamped and returned in the self-addressed envelope.

¹ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003-C, order on reh'g, 111 FERC ¶ 61,401 (2005) FERC Stats. & Regs. ¶ 31,190 (2005), Standards for Business Practices and Communication Protocols for Public Utilities, Order No. 676, 71 Fed. Reg. 26,199 (May 4, 2006), FERC Stats. & Regs. Regulations Preambles ¶ 31,216, 115 FERC ¶ 61,102 (2006), order on reh'g, Order No. 676-A, 116 FERC ¶ 61,255 (2006), Interconnection for Wind Energy, Order No. 661, 70 Fed. Reg. 34,993 (June 16, 2005), FERC Stats. & Regs. ¶ 31,186 (2005), order on reh'g, Order No. 661-A, 113 FERC ¶ 61,254 (2005), Standardization of Small Generator Interconnection Agreements and Procedures, Order No. 2006, 70 Fed. Reg. 34,189, (June 13, 2005), FERC Stats. & Regs. ¶ 31,180 (2005), order on reh'g, Order No. 2006-A, 70 Fed. Reg. 71,760 (Nov. 30, 2005), FERC Stats. & Regs. ¶ 31,196 (2005), order on clarification, Order No. 2006-B, 71 Fed. Reg. 42,587 (July 27, 2006), FERC Stats. & Regs. ¶ 31,221 (2006).

² 18 C.F.R. § 35.28(e) and (f) (2006).

Western is a Federal power marketing administration that markets Federal power and owns and operates transmission facilities in fifteen western and central states, encompassing a geographic area of 1.3 million square-miles. Western was established pursuant to section 302 of the DOE Organization Act.³ Western's primary mission is to market Federal power and transmission resources constructed pursuant to congressional authorization. The Federal generation marketed by Western resulted from the construction of power plants by the Federal generating agencies, principally the Department of the Interior's Bureau of Reclamation (Bureau) and the Army Corps of Engineers (Corps). The power and transmission requirements of project use loads, which are designated by Congress and carry out purposes such as pumping of irrigation water, must by law be met first for the life of those projects. Power in excess of these requirements is available for marketing by Western to its preference customers.

Western owns and operates nearly 17,000 miles of high-voltage transmission lines and has entered into long-term transmission contracts for widespread distribution of this generation to project use and preference customers comprised of non-profit public entities such as electric cooperatives, municipal utilities, Indian tribes, and Federal and state government entities. In addition, Western's system is utilized by third parties for network and point-to-point transmission purposes, and therefore, Western has contractual obligations it must meet under a myriad of existing transmission agreements which were executed before and after Western's Tariff became effective.

Western is not a public utility subject to the Commission's jurisdiction under sections 205 and 206 of the Federal Power Act (FPA).⁴ Western is, however, a transmitting utility subject to FPA sections 211-213⁵ and has provided open access transmission service since its inception in 1977. Western has made modifications to its Tariff that was filed on January 25, 2005, which has been conditionally approved by the Commission.⁶ The changes to the SGIP and SGIA primarily incorporate the pro forma SGIP and SGIA promulgated under Order Nos. 2006, 2006-A and 2006-B. However, Western's SGIP and SGIA are modified to accommodate: (1) Western's status as a non-jurisdictional entity before the Commission; (2) Western's status as a Federal Power Marketing Agency; (3) Western's operation in multiple Regional Reliability Organizations; and (4) ministerial clarifications. This filing incorporates specific pro forma references to certain North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) standards as directed by the Commission in Order No. 676 and 676-A as well as the pro forma Interconnection Procedures for a Wind Generating Plant as directed by the Commission in Order No. 661 and 661-A. Western has also made the changes outlined in Appendix B to Order No. 2003-B that were inadvertently missed with its last filing.

One further point of clarification related to Western listing the Power System Operations Council (PSOC) Chairman as the individual who is issuing the Tariff. Western's transmission functions are lead by the Operations Manager in each of Western's Regional offices. The Operations Managers as a whole comprise the PSOC. Each year the PSOC nominates a Chairman

³ 42 U.S.C. § 7152(a) (1977).

⁴ 16 U.S.C. §§ 824d and 824e (2006).

⁵ 16 U.S.C. §§ 824i-824k (2006).

⁶ United States Department of Energy – Western Area Power Administration, 112 FERC ¶ 61,044 (2005) (July 6 Order).

to serve as a single point of contact for the PSOC. For purposes of the Tariff filing, the PSOC Chairman's name is being used to represent Western's individual Operations Managers. The various Operations Managers are individually responsible for transmission reliability functions and execution of transmission contracts within their respective regions.

As provided by Sections 35.28(e) and (f) of the Commission's Regulations⁷, Western requests that the Commission issue a declaratory order determining that with this filing, Western's Tariff maintains its status as a "safe-harbor" tariff, ensuring that it may not be denied transmission access by any FERC-jurisdictional public entity. Western has already developed transmission rates for use in the Tariff under separate public processes pursuant to applicable Federal law and regulation. Those rates have already been approved by the Commission.

FERC has previously found that non-jurisdictional utilities maintaining safe-harbor open access tariffs must adopt Tariffs that "substantially conform to or are superior to" the Commission's pro forma documents in order to maintain their safe-harbor status.⁸ FERC did not modify its previous reciprocity policy with the SGIA and SGIP orders.⁹ This filing is made to comply with that mandate and it includes modifications to the Tariff, LGIA, LGIP, SGIA and SGIP that deviate from the pro forma documents consistent with the Commission's guidance that it will entertain provisions that deviate from the pro forma language when necessary to reflect "legal and regulatory restrictions on non-jurisdictional entities' contractual rights. . . ."¹⁰

This filing letter outlines those changes and briefly explains why they are necessary. The majority of revisions proposed below are similar to changes that were submitted by Western in its January 25, 2005 filing which was conditionally approved by the Commission in its July 6 Order.¹¹ Where applicable, Western provides a statement noting where a corresponding change occurs in the January 25, 2005 filing.

Western began development of the changes contained in this filing prior to the issuance of FERC's transmission reform Notice of Proposed Rulemaking¹² and it recognizes that on February 16, 2006 the Commission issued a Final Rule in Docket Nos. RM05-17-000 and RM05-5-000 (Order No. 890). Western requests that the Commission rule on the substance of this filing so that its Tariff can be updated to incorporate changes to the Tariff issued by the Commission prior to issuing Order No. 890. This will ensure that Western and its customers are able to use standardize agreements for small generator interconnections and provide non-discriminatory treatment to wind resources. Western will make a future filing to incorporate the changes outlined in Order No. 890 with appropriate modifications to address its Federal power marketing agency status.

⁷ 18 C.F.R. § 35.28(e) and (f) (2006).

⁸ Order No. 2003, ¶¶ 841-42; Order No. 2003-A, ¶ 57.

⁹ Order No. 2006, ¶ 536.

¹⁰ Order No. 2003, ¶ 844, Order 2003-A, ¶ 358.

¹¹ The only remaining item not approved by the Commission in Docket No. NJ05-1-001 relates to Western's revisions to section 1.0 of Western's Tariff Attachment J.

¹² Preventing Undue Discrimination and Preference in Transmission Service, Notice of Proposed Rulemaking, 71 Fed. Reg. 32,636 (June 6, 2006), FERC Stats. & Regs. ¶ 32,603 (2006).

I. PROPOSED REVISIONS TO WESTERN'S TARIFF, LGIP AND LGIA

A. Tariff

1. Section 4, and New Attachment N

Western inserted an additional provision in Tariff section 4 (and renumbered its subsections accordingly) to incorporate a new Tariff Attachment N, which, in turn, contains the specific pro forma references to certain North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) standards as directed by the Commission in Order No. 676. Insofar as Order No. 676 did not mandate a specific method for incorporating the NAESB WEQ standards into the Tariff, and since they likely will be revised in the future and new standards will be adopted on an ongoing basis, Western believes its proposal herein reasonably complies with the Commission's intent while simplifying the process of incorporating subsequent revisions and new standards alike.

2. Section 10.2

Western revised Tariff section 10.2 to ensure the Commission-approved reference to the Federal Tort Claims Act¹³ (Tort Claims Act) is consistent with similar Commission-approved references elsewhere in Western's LGIP and LGIA.

3. Sections 11, 17.3, and 29.2

Western made ministerial revisions to Tariff sections 11, 17.3, and 29.2 to conform their enumeration style to that of the other pro forma Tariff provisions.

4. Sections 17.3 and 29.2, and Attachment K

For the sake of clarity, Western revised Tariff sections 17.3 and 29.2 to specify the Commission-approved \$3,500 application fee formerly set forth in Attachment K of Western's Tariff, and accordingly removed specification of the fee from Attachment K.

Western also revised Tariff sections 17.3 and 29.2 to clarify that its Commission-approved deposit requirement does not apply in the case of either a request for transmission service resulting only in modification to an existing Service Agreement, or a rollover of equivalent transmission service provided under either an existing Service Agreement or other existing agreement executed prior to December 31, 1997 (i.e., the date Western filed its initial Tariff with the Commission).

5. Section 23.1

Pursuant to the Federal Anti-Assignment Act¹⁴ (Anti-Assignment Act), Western cannot allow the assignment of an agreement in which Western is a party without first providing its

¹³ 28 U.S.C. § 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

¹⁴ 41 U.S.C. § 15 (2006).

concurrence. Therefore, Western revised Tariff section 23.1 to clarify that the Transmission Customer must obtain Western's approval before the former may sell, assign, or transfer all or a portion of its rights under its Service Agreement to another entity. (Comparable modification previously approved by the Commission: LGIA Article 19.)

6. Attachment A

Previously, Western proposed, and the Commission approved, the insertion of certain statutory and technical provisions into the Specifications For Long-Term Firm Point-To-Point Transmission Service (Specifications) under Tariff Attachment A; however, an unintended consequence of this modification is that the Specifications must be completed for, and attached to, each Firm Point-to-Point Transmission Service Agreement regardless of the term of service. To ensure that Western's practices henceforth comply with the Commission's intention that the Specifications pertain only to agreements for long-term service, Western moved the aforementioned provisions from the Specifications into the main body of the Firm Point-to-Point Transmission Service Agreement.

7. Attachments A, B, and F – Headers, Titles, and Signature Blocks

In order to ensure conformance between Western's long-standing Federal contractual practices and its as-filed forms of agreement, Western revised the header, title, and signature block of each Service Agreement to more closely match Western's standard contractual format.

8. Attachments A, B, and F – Section 1.0

To properly accommodate Western's Commission-approved insertion of certain language containing the terms "Party" and "Parties" into the forms of Service Agreement, Western added language to the specified provisions clarifying the meaning of these terms.

9. Attachment A – Section 4.0

Western revised the Commission-approved rollover language in Tariff section 4.0 of Attachment A to replace the term "Contract" with the proper term "Service Agreement."

10. Attachment A – Section 6.0, Attachment B – Section 6.0, and Attachment F – Section 5.0

In order to ensure conformance between Western's long-standing Federal contractual practices and its as-filed forms of agreement, Western added language to the specified provisions allowing the Parties to change their designation of representatives upon oral notice to the other, with confirmation of that change to be submitted in writing within 10 days thereafter.

11. Attachment A – Section 7.0

Western revised section 7.0 of Attachment A to account for the changes made to the Specifications, as discussed above. In addition, Western corrected a ministerial error in the provision's reference to the Specifications.

12. Attachment A – Section 11.0, Attachment B – Section 11.0, and Attachment F – Specifications at Section 9.0

To mitigate confusion expressed by its Transmission Customers with respect to the Commission-approved net billing and bill crediting options set forth in Western's forms of Service Agreement, and to also ensure they reflect the intent of sections 11.0 and 12.0 in its Tariff Attachment J, Western revised the specified provisions to clarify that the Transmission Customer may choose net billing, bill crediting, both, or neither.

13. Attachment A – Section 12.0, Attachment B – Section 12.0, and Attachment F – Specifications at Section 10.0

Due to the fact that certain of Western's Regions revise the alphanumerical designations of their Federal project transmission and ancillary service rate schedules as they are superseded, while others do not, Western sought to avoid potential confusion by revising the specified provisions to provide for a generic reference to the applicable effective rate schedules.

14. Attachment A – Section 13.0, Attachment B – Section 13.0, and Attachment F – Specifications at Section 11.0

Western previously added, and the Commission approved, language under the specified provisions for the intention of preserving Western's statutory and contractual rights in the event Western joined an Independent System Operator under the Commission's jurisdiction. Coincident with that addition, Western also inserted a preceding statement indicating that these provisions were to be included at Western's discretion; however, Western's experience has shown this discretionary statement to be unclear with respect to its intent, and Western therefore modified it for clarification purposes.

15. Attachments C, D, H, J, and K – Headers

Western removed the unnecessary placeholder "(Region)" from the header of each specified document.

16. Attachment J – Sections 2.1, 2.2, 5.0, and 6.0

Western revised the specified provisions to substantially conform them to the outcome of Western's stakeholder process modifying its applicable General Power Contract Provisions (GPCPs). The modified GPCPs became effective as of June 15, 2005, and the applicable provisions are listed at <http://www.wapa.gov/powerm/pmgpcp.htm> as GPCP Nos. 41.1, 41.2, 44, and 45, respectively.

17. Attachment J – Section 13.0

Western revised section 13.0 of Tariff Attachment J to replace the acronym “OATT” with the proper phrase “Transmission Provider’s Tariff.”

18. Attachment J – Section 15.0

Western revised section 15.0 of Tariff Attachment J to provide the full citation of the Tort Claims Act.

19. Attachments L and M

In order to simplify the presentation and discussion of its revisions proposed herein, Western is filing its various Tariff documents in the form of separate attachments to this letter. Therefore, Western added placeholders for Tariff Attachments L and M in order to indicate the respective placement of its LGIP and SGIP.

B. LGIP

1. Table of Contents, and New Appendix 7

Western appended an entry to the LGIP Table of Contents regarding a new LGIP Appendix 7, which, in turn, contains the pro forma Interconnection Procedures for a Wind Generating Plant as directed by the Commission in Order No. 661.

2. Section 1 – Definition of “Network Resource Interconnection Service,” and Sections 5.2, 7.6, and 11.2

Western made various ministerial revisions to the specified provisions, which were directed by the Commission in Order No. 2003-B¹⁵ but were inadvertently omitted by Western in its January 25 Filing.

3. Sections 3.1 and 3.3.1

Western requires advance payment to fund its staff participation in Scoping Meetings, consistent with the Federal Contributed Funds Act¹⁶ (Contributed Funds Act). Consequently, Western revised LGIP sections 3.1 and 3.3.1 to explicitly allow the initial interconnection request deposit(s) to be used for this purpose.

4. Section 4.3

In Western’s experience, transfers of queue positions under LGIP section 4.3 typically involve the assignment of Interconnection Study and other standalone (e.g., environmental

¹⁵ Standardization of Generator Interconnection Agreements and Procedures, order on reh’g, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2005), at Appendix B.

¹⁶ 43 U.S.C. § 395 (2006).

analysis) agreements along with the transfer of the relevant financial accounts. However, as Western explained above, pursuant to the Anti-Assignment Act, Western cannot allow the assignment of an agreement in which Western is a party without first providing its concurrence. Therefore, Western revised LGIP section 4.3 to clarify that the Interconnection Customer must obtain Western's approval before the former may transfer its queue position – and, by implication, may assign any of its relevant agreements with Western – to another entity. (Comparable modification previously approved by the Commission: LGIA Article 19.)

5. Section 6.3.1 – Title

Western removed an extraneous period in the title of LGIP section 6.3.1.

6. Sections 8.1.1, 10.3 and 13.3, and Appendix 3 – Section 6.0, Appendix 4 – Section 5.0, and Appendix 5 – Section 6.0

Western requires advance payment to perform study and other such work consistent with the Contributed Funds Act. Therefore, in order to ensure its LGIP is fully compliant with this statute, Western added language to the specified provisions requiring the Interconnection Customer to pay in advance any difference between the Interconnection Study deposit and the actual cost of the study, if applicable. (Comparable modification previously approved by the Commission: LGIA Article 11.5.)

7. Sections 9 and 11.3

Western cannot as a matter of law accept the provision of security for services such as the engineering and procurement of long lead-time items and for the construction of facilities; rather, it requires advance payment or the posting of a deposit consistent with the Contributed Funds Act. Accordingly, Western modified LGIP sections 9 and 11.3 to prohibit the Interconnection Customer from providing security for such activities. (Comparable modification previously approved by the Commission: LGIA Article 11.5.)

8. Sections 9 and 12.2.2

Western added a semi-colon between enumerated items within the specified provisions to make them consistent with Western's standard contractual format, and also with the pro forma language in LGIP provisions such as sections 3.4, 5.1.2, 6.2, 11.3, and many others.

9. Section 11.1

Western explained in its January 25 Filing that, as a Federal power marketing administration, Western is a non-profit entity that implements strict cost controls on all aspects of its business, including the establishment of cost-effective staffing levels relative to Western's role as a Transmission Owner and Provider throughout multiple states. In addition, as a Federal entity, Western is subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits. Funding levels for these items may be established which limit Western's ability to meet the timeframes proposed in the LGIP. Further, some of the LGIP's

stated deadlines are impacted by regional planning committee review requirements imposed by the Regional Reliability Councils in which Western participates.

For these reasons, Western proposed in its January 25 Filing, and the Commission approved in its July 6 Order, a global modification to the LGIP intended to allow Western to meet all interconnection deadlines using “Reasonable Efforts.” However, Western inadvertently omitted the necessary modification to the deadline stated in LGIP section 11.1, and thus Western corrected that error here. (Identical modifications previously approved by the Commission: LGIP sections 3.3.2, 3.3.3, 3.3.4, 4.4.4, 6.1, 6.3.1, 6.4, 7.1, 7.2, 7.5, 7.6, 8.1, 8.3, 8.4, 8.5, and 10.1.)

10. Section 12.2.3

Pro forma LGIP section 12.2.3 allows the Interconnection Customer to commit to pay only expediting costs in the event it requests that Western advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support the Interconnection Customer’s In-Service Date; and (ii) would otherwise not be completed, pursuant to an expansion plan of Western, in time to support such In-Service Date. However, a key requirement of the Federal Anti-Deficiency Act¹⁷ (Anti-Deficiency Act) restricts Western from obligating funds which have not yet been Congressionally appropriated or authorized for expenditure, and thus Western could potentially violate that statute if it were obligated to pay the costs of Network Upgrades in advance of the construction period contemplated in its applicable expansion plan.

In the case of standalone construction agreements pertaining to transmission service requests and transmission interconnections, Western avoids potential violations of the Anti-Deficiency Act by requiring other parties to fund both the expediting costs as well the costs of the requisite transmission facilities, with appropriate crediting provided in accordance with the Commission’s relevant policies. Therefore, Western revised LGIP section 12.2.3 to reflect this practice, and to clarify that Western will provide crediting under the Commission-approved provisions set forth in Article 11.4 of Western’s LGIA.

11. Section 13.2

Western revised LGIP section 13.2 to replace the acronym “OATT” with the proper term “Tariff.”

12. Section 13.5.3

Western is unable to participate in binding arbitration pursuant to the Administrative Dispute Resolution Act¹⁸ (ADR Act) and due to the absence of Department of Energy regulations in this area. Western originally chose not to modify pro forma LGIP section 13.5.3 to reflect this fact, as Article 13.5.1 provides that unresolved claims or disputes may be submitted to arbitration and resolved in accordance with LGIP’s arbitration procedures only

¹⁷ 31 U.S.C. § 1341(a)(1)(2006).

¹⁸ 5 U.S.C. §§ 571-584 (2006).

upon mutual agreement of the Parties. However, the LGIP currently does not contain a provision allowing for non-binding arbitration, and Western's retention of the pro forma language has resulted in misunderstandings among its Interconnection Customers. Therefore, Western modified section 13.5.3 to remove its discussion of binding arbitration and to allow for non-binding arbitration between the Parties.

In addition, insofar as Western is not subject to the Commission's jurisdiction under sections 205 and 206 of the Federal Power Act, and to avoid further confusion among Western's Interconnection Customers regarding its policies on arbitration, Western deleted the last sentence of LGIP section 13.5.3 requiring the arbitrator's final decision to be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13. Appendix 2 – Section 6.0

Western appended language to section 6.0 of LGIP Appendix 2 to specify the deadline in which the Interconnection Customer must pay for study costs in excess of the deposit, consistent with the Commission-approved revisions Western made to the same provision in LGIP Appendices 3 and 5. However, to ensure the shortened timeline for the Interconnection Feasibility Study is not unreasonably delayed, Western set the deadline for paying the relevant excess study costs within 15 Calendar Days of receipt of invoice, versus the 30 Calendar Days specified in the Interconnection System Impact Study Agreement and Optional Interconnection Study Agreement. (Comparable modifications previously approved by the Commission: LGIP Appendices 3 and 5 – section 6.0.)

14. Appendices 2 to 6 – Headers and Signature Blocks

In order to ensure conformance between Western's long-standing Federal contractual practices and its as-filed forms of agreement, Western revised the header and signature block of each LGIP study agreement to more closely match Western's standard contractual format.

15. Appendices 2, 3, and 5 – New Sections 8.0, and Appendix 4 – New Section 7.0

Western added the specified provisions to each Interconnection Study Agreement to incorporate by reference therein Attachments J and K of Western's Tariff. (Comparable modification previously approved by the Commission: LGIA Article 30.4.)

16. Appendix 3 – Section 6.0

Western inserted the missing word "thirty" in the last sentence of the specified provision.

17. Appendix 3 – Section 7.0

Western deleted the erroneous right bracket at the end of the specified provision.

18. Appendices 3 and 4 – Second Paragraph of Recitals

Western inserted the missing qualifier “and” within the Recitals of LGIP Appendices 3 and 4.

19. Appendix 4 – Section 6.0

Western corrected the specified provision’s reference to the Interconnection Facilities Study Agreement by replacing the word “Facility” with “Facilities.”

20. Appendix 6

In order to simplify the presentation and discussion of its proposed revisions, Western is filing its various Tariff documents in the form of separate attachments to this letter. Therefore, Western added a placeholder for LGIP Appendix 6 in order to indicate the respective placement of its LGIA.

C. LGIA

1. Header and Signature Block

In order to ensure conformance between Western’s long-standing Federal contractual practices and its as-filed forms of service agreement, Western revised the LGIA’s header and signature block to more closely match Western’s standard contractual format.

2. Table of Contents, and Articles 5.3, 5.17, and 30.11

Western replaced the titles of LGIA Articles 5.3, 5.17, and 30.11 with a placeholder reflecting their Commission-approved deletion under Western’s January 25 Filing, and also made appropriate modifications to the LGIA’s Table of Contents.

3. Table of Contents, and New Appendix G

Western revised the LGIA’s Table of Contents entry to indicate a new Appendix G, which, in turn, contains the pro forma Interconnection Requirements for a Wind Generating Plant as directed by the Commission in Order No. 661.

4. Article 1 – Definition of “Network Resource Interconnection Service”

Western made a ministerial revision to the definition of the term “Network Resource Interconnection Service” in LGIA Article 1, which was directed by the Commission in Order No. 2003-B¹⁹ but was inadvertently omitted by Western in its January 25 Filing.

¹⁹ Order No. 2003-B at Appendix B.

5. Articles 2.2 and 11.5.3

Western made ministerial revisions to the specified provisions in order to conform their references to the Interconnection Customer and/or Transmission Provider to all such references elsewhere in the LGIA.

6. Article 9.6.1

Western revised the last sentence of LGIA Article 9.6.1 to clarify that the requirements of new LGIA Appendix G shall apply to wind generators.

7. Article 11.4.1

Western revised the first paragraph of LGIA Article 11.4.1 to replace the term “Affected System” with the proper term “Transmission System.”

Further, the last paragraph of LGIA Article 11.4.1 would require Western to reimburse the Interconnection Customer for the cost of any Network Upgrades if its Large Generating Facility fails to achieve commercial operation and another party makes use of those Network Upgrades. However, as written, this language could result in potential violations of the Anti-Deficiency Act by obligating Western to expend funds for such reimbursement without receiving a prior offsetting payment from the other party. Consequently, Western revised Article 11.4.1 to provide that, before any reimbursement occurs, the party making use of the Network Upgrades must first pay to Western all amounts to be reimbursed to the Interconnection Customer, with such amounts to be subsequently credited by Western to that other party in accordance with the relevant provisions in Western’s LGIA.

8. Article 12.1

Western revised LGIA Article 12.1 to remedy a previously overlooked inconsistency with the Article 11.5 advance payment provisions that Western proposed in its January 25 Filing, and that the Commission approved in its July 6 Order.

9. Articles 12.4, 18.3.6, 19.1, and 24.2

Western made various ministerial revisions to the specified provisions as directed by the Commission in Order No. 2003-C.²⁰

10. Article 18.1

Western revised LGIA Article 18.1 to ensure the Commission-approved reference to the Tort Claims Act is consistent with similar Commission-approved references elsewhere in Western’s LGIP and LGIA.

²⁰ Standardization of Generating Interconnection Agreements and Procedures, order on reh’g, Order No. 2003-C, 70 Fed. Reg. 37,661 (June 30, 2005), FERC Stats. & Regs. ¶ 31,190 (2005), at Appendix A.

11. Articles 23.2 and 23.3

Western proposed in its January 25 Filing, and the Commission approved in its July 6 Order, new LGIA Articles 23.2 and 23.3 regarding the environmental compliance requirements that Western must follow as a Federal entity. However, Western inadvertently capitalized the term “state” in those provisions, and thus Western corrected that error here.

12. Article 27.3

Western modified LGIA Article 27.3 to conform it to the revisions proposed above for LGIP section 13.5.3.

13. Article 30.4

Western proposed in its January 25 Filing, and the Commission approved in its July 6 Order, language in LGIA Article 30.4 incorporating by reference Attachments J and K of Western’s Tariff. Western made a minor grammatical modification within this language, and also replaced the acronym “OATT” with the proper term “Tariff.”

14. Appendix D

Western revised pro forma LGIA Appendix D to reflect the fact that the President's “Critical Infrastructure Protection Board” is now known as the “National Infrastructure Advisory Council.”²¹

15. Appendix A

Western revised the pro forma LGIA Appendix A to include placeholders for inclusion of the information required to clarify the Point in Change of Ownership, and the Point of Interconnection. Inclusion of this information is specified in Article 1, definitions for Point of Change of Ownership and Point of Interconnection.

²¹ See <http://www.whitehouse.gov/pcipb/>.

II. PROPOSED REVISIONS TO THE PRO FORMA SGIP AND SGIA

A. SGIP

1. First Page

Western inserted a designator on top of the first page of the SGIP indicating its place as Attachment M to Western's Tariff.

2. Table of Contents

Western modified the SGIP's Table of Contents to reflect the various revisions discussed below.

3. Sections 1.1.1, 2, and 3.1, Attachment 1 – Definitions of "10 kW Inverter Process" and "Fast Track Process," Attachment 2 – Section Entitled "Processing Fee or Deposit" and Entry Fields on Page 4 Regarding Certified Components, and Attachments Formerly Numbered 6 to 8

As discussed in both its January 25 Filing and previously herein, Western must comply with a number of statutory and budgetary requirements applicable to the interconnection of generators to its system, as codified under the Anti-Assignment Act, the Anti-Deficiency Act, the ADR Act, the Contributed Funds Act, the National Environmental Policy Act²² (NEPA), and the Tort Claims Act, among others. In contrast, the pro forma SGIP's 10 kW Inverter Process requires the interconnection of generators without execution of the SGIA. Absent any type of formal agreement between the Parties, Western is prohibited from contractually ensuring compliance with any of the aforementioned requirements and, in addition, the abbreviated procedures applicable to the Fast Track Process do not accommodate the need to perform a substantive environmental review under NEPA. Further, Western provides open access transmission service only over its high-voltage transmission facilities, and therefore Western would be unable to process requests for interconnection to distribution-level facilities (i.e., requests pertinent to the SGIP's Fast Track and 10 kW Inverter Processes) under its Tariff.

For these reasons, Western deleted from the pro forma SGIP all references to the Fast Track and 10 kW Inverter Processes. Western will administer all interconnections of generators no larger than 20 MW using the SGIP's default Study Process. In addition, Western deleted all language regarding certification of Small Generating Facility equipment by a Nationally Recognized Testing Laboratory to clarify to prospective Interconnection Customers that such certification is not required under the Study Process.

Finally, Western renumbered SGIP Attachments 6 to 8 to reflect the revisions described herein.

²² 42 U.S.C. § 4321, et seq. (2006).

4. Sections 1.1.3, 1.1.4, 1.1.5, and 1.1.6

Given the date of this filing relative to the issuance of Order No. 2006, Western deleted section 1.1.3 which states that the SGIP is not applicable prior to 60 days after its effective date. Western also renumbered sections 1.1.4, 1.1.5, and 1.1.6 accordingly.

5. Sections 1.1.3, 1.3, 3.2.1, 3.2.2, 3.2.3, 3.4.2, 3.4.3, 3.5.1, 3.5.7, 4.1, and 4.6, Attachment 1 – New Definition of the Term “Reasonable Efforts,” Attachment 3 – Sections 10.0 and 12.0, Attachment 4 – Sections 7.0, 9.0, and 12.0, and Attachment 5 – Sections 7.0, 8.0, and 10.0

As a Federal power marketing administration, Western is a non-profit entity that implements strict cost controls on all aspects of its business, including the establishment of cost-effective staffing levels relative to Western’s role as a Transmission Owner and Provider throughout its 15-state service territory. In addition, as a Federal entity, Western is subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits. Levels for these items may be established which limit Western’s ability to meet the timeframes proposed in the SGIP. In light of these facts, the pro forma SGIP contains task completion deadlines that would be very difficult for Western to consistently meet absent significant increases in staffing levels and related costs, and thus Western added the LGIP’s pro forma definition of the term “Reasonable Efforts” to SGIP Attachment 1 and modified the other specified provisions so that it may meet all deadlines using such efforts. As Western stated in its January 25 Filing, Western supports and adheres to the spirit and intent of the Commission’s comparability standard, and thus Western commits to apply the defined standard of “Reasonable Efforts” equally to all generation customers seeking to interconnect to its system, including that of Federal generating agencies such as the Bureau and the Corps. (Comparable modifications previously approved by the Commission: LGIP sections 3.3.2, 3.3.3, 3.3.4, 4.4.4, 6.1, 6.3.1, 6.4, 7.1, 7.2, 7.5, 7.6, 8.1, 8.3, 8.4, 8.5, and 10.1.)

6. Section 1.1.4

Western revised SGIP section 1.1.4 to reflect the newly-defined acronym “FERC” discussed below, and to reflect the fact that the President’s “Critical Infrastructure Protection Board” is now known as the “National Infrastructure Advisory Council.”

7. Section 1.3, and Attachment 2 – Title and Last Sentence of Section Formerly Entitled “Processing Fee or Deposit”

Western increased the feasibility study deposit requirement in SGIP Attachment 2 from \$1,000 to \$5,000 to reflect the fact that Western requires full advance funding to perform study work, consistent with the Contributed Funds Act. Western also revised the same provision to allow the use of the \$5,000 deposit for staff participation in Scoping Meetings, consistent with Western’s proposed revision to LGIP sections 3.1 and 3.3.1, and Western modified the title of the provision and SGIP section 1.3 to reflect the fact that Western will not require a processing fee under its revised SGIP.

8. Sections 3.3.2, 3.4.7, and 3.5.5, and Attachment 3 – Sections 9.0, 11.0, and 12.0, Attachment 4 – Sections 10.0, 11.0, and 12.0, and Attachment 5 – Sections 6.0, 9.0, and 10.0

Western requires advance payment to perform study and other such work consistent with the Contributed Funds Act. Therefore, in order to ensure its SGIP is fully compliant with this statute, Western modified the specified provisions to: (1) require the Interconnection Customer to pay a deposit equal to the full amount of the good faith estimated study costs prior to the initiation of study work; (2) allow Western to invoice for actual study costs before completion of the study; and/or (3) provide that Western shall invoice in advance for study costs that exceed the deposit and shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all such undisputed amounts. (Comparable modification previously approved by the Commission: LGIA Article 11.5.)

9. Sections 3.3.4, 3.4.5, 3.5.7 and 4.8

As a Federal power marketing administration, before beginning construction of any facilities, Western must first conduct an environmental analysis in accordance with NEPA. Thus, Western revised the specified provisions to condition Western's decision to offer an executable SGIA upon Western's determination that it may proceed with construction under NEPA, and to provide that such determination is not subject to dispute resolution. (Comparable modifications previously approved by the Commission: LGIP sections 9 and 11.2.)

10. Sections 3.4.8 and 3.5.6

Western revised SGIP sections 3.4.8 and 3.5.6 to specify the Attachment for each referenced study agreement.

11. Section 3.5.3

A key requirement of the Anti-Deficiency Act restricts Western from obligating funds which have not yet been Congressionally appropriated or authorized for expenditure, and thus Western could potentially violate the act if the costs of construction were to exceed Western's estimates. Consequently, Western added language to SGIP section 3.5.3 to clarify that the facilities study cost estimate is not binding upon Western. (Comparable modifications previously approved by the Commission: LGIP section 8.3, and Attachment A to LGIP Appendix 4.)

12. Sections 4.2.1 through 4.2.6

Western corrected an indentation error in the specified provisions.

13. Section 4.2.5

Pro forma SGIP section 4.2.5 would require Western to be responsible for one-half of any negotiation costs paid to neutral third parties. However, in Western's experience, the

Interconnection Customer will in the vast majority of cases be the cause of any negotiations that occur. Insofar as Western is a non-profit entity that would be forced to shift the costs of such negotiations to its transmission ratepayers, Western revised section 4.2.5 to make the Interconnection Customer responsible for all costs of negotiations paid to neutral third parties. (Comparable modification previously approved by the Commission: LGIP section 11.2.)

14. Sections 4.3, 4.5.3, and 4.8, and Attachment 2 – Section Entitled “Preamble and Instructions,” Attachment 3 – Section 21.0, Attachment 4 – Section 21.0, and Attachment 5 – Section 19.0

As a Federal power marketing administration, Western is not subject to the Commission’s jurisdiction under FPA sections 205 or 206, nor does Western file its agreements with the Commission. Further, Western is not subject the jurisdiction of any state regulatory bodies. Consequently, Western revised – or, in certain cases, deleted – the specified provisions to reflect these facts. (Comparable modifications previously approved by the Commission: LGIP Section 1, Definitions – “Effective Date” and “Tariff,” and Sections 3.4, 5.1.1.3, 5.1.2, 5.2, 6.2, 7.3, 11.3, 11.4, and 13.1.8.)

15. Section 4.5.1

Western revised SGIP section 4.5.1 to conform the term “Confidential Information” to the remainder of the SGIP, and to reflect its status as a newly-defined term as discussed immediately below.

16. Attachment 1

Western added the LGIP’s pro forma definitions of the terms “Applicable Laws and Regulations,” “Confidential Information,” “FERC,” “Governmental Authority,” “Notice of Dispute,” and “Tariff” to SGIP Attachment 1 to account for instances of these capitalized but formerly undefined terms throughout the SGIP. Western also revised the definition of “Small Generating Facility” to accommodate deletion of the Fast Track and 10 kW Inverter Processes, as discussed above.

17. Attachments 3 to 5 – Headers, Opening Paragraphs, and Signature Blocks

In order to ensure conformance between Western’s long-standing Federal contractual practices and its as-filed forms of agreement, Western revised the header, opening paragraph, and signature block of each form of SGIP study agreement to more closely match Western’s standard contractual format.

18. Attachments 3 and 5 – Opening Paragraph, Attachment 3 – Section 16.2, Attachment 4 – Sections 4.0 and 16.2, and Attachment 5 – Section 14.2

Western added to the specified provisions the missing word “the” before “Interconnection Customer” and/or “Transmission Provider,” consistent with all such other references elsewhere in the SGIP.

19. Attachments 3 to 5 – Section 2.0

In order to avoid confusion between the pro forma Tariff and Western’s as-filed Tariff, Western revised the specified provisions to state “. . . in accordance with the ~~Open Access~~ Transmission Provider’s Tariff.”

20. Attachment 3 – Section 13.0, Attachment 4 – Section 13.0, and Attachment 5 – Section 11.0

Western revised the specified provisions to clarify that, as a Federal entity, Western is governed by Federal or state law, as applicable. (Comparable modifications previously approved by the Commission: LGIA Articles 5.13, 14.2, and 28.1.1.)

21. Attachment 3 – Section 20.0, Attachment 4 – Section 20.0, and Attachment 5 – Section 18.0

Western added language to the specified provisions to clarify that Western is liable to the Interconnection Customer only in accordance with the Tort Claims Act provision set forth in Attachment J of Western’s Tariff. (Comparable modifications previously approved by the Commission: LGIP section 13.2.)

22. Attachments 4 and 5 – Recitals

Western inserted the missing qualifier “and” within the Recitals of SGIP Attachments 4 and 5.

B. SGIA

1. Header, Opening Paragraph, and Signature Block

In order to ensure conformance between Western’s long-standing Federal contractual practices and its as-filed forms of agreement, Western revised the header, opening paragraph, and signature block of the SGIA to more closely match Western’s standard contractual format.

2. Table of Contents

Western revised the SGIA’s Table of Contents to reflect the various revisions discussed below.

3. Article 1.1

As discussed above, in light of Western’s need to comply with a number of statutory and budgetary requirements applicable to the interconnection of generators to its system, Western deleted from the pro forma SGIP all references to the Fast Track and 10kW Inverter Processes.

Accordingly, Western made a conforming modification to SGIA Article 1.1 by deleting its reference to the 10 kW Inverter Process.

4. New Articles 1.5.4.1, 1.5.4.2, and 1.5.4.3

In order to ensure consistent technical standards are applied to the interconnection of all loads and generators throughout its multi-state transmission system, Western maintains a long-standing set of such standards. Among other things, Western's standards require the Interconnection Customer to submit the initial specifications of its proposed interconnection facilities, as well as appropriate as-built drawings, operating instructions and other such materials. Accordingly, Western inserted into the SGIA new Articles 1.5.4.1, 1.5.4.2, and 1.5.4.3 requiring the Interconnection Customer to submit, and giving Western the right to review, specifications for the Interconnection Customer's Interconnection Facilities, consistent with the provisions set forth in pro forma LGIA Articles 5.10.1, 5.10.2, and 5.10.3, respectively.

5. Article 1.8.1 and New Attachment 7

Western revised SGIA Article 1.8.1 to reference a new Attachment 7, which, in turn, incorporates wind interconnection technical requirements that conform to LGIA Appendix G (Interconnection Requirements for a Wind Generating Plant), as adopted by the Commission in Order No. 661.

Western has two primary reasons for adding this new Attachment 7. First, as explained previously, Western operates a transmission system that spans numerous states; indeed, on the basis of geographic area, Western operates the largest system of the three transmission-owning Federal power marketing administrations,²³ and Western is the only one of these which operates facilities spanning both the Eastern and Western Interconnections. Therefore, in order to ensure reliable operation across its expansive system, Western must treat all existing and prospective generation resources alike without regard to fuel type and size, including those resources proposed for interconnection by the Federal generating agencies. Absent such nondiscriminatory treatment, Western would be forced to implement reliability-related network upgrades as a consequence of numerous smaller wind plants interconnecting to its system,²⁴ thereby improperly shifting costs for maintaining reliability from those who would directly cause them (i.e., small wind interconnection customers) to Western's transmission customers and to its Federal preference and project use customers. Additionally, from a statutory perspective, Western cannot allow itself to potentially be forced to construct network upgrades under such circumstances, insofar as the Anti-Deficiency Act restricts Western from obligating funds for construction which have not been congressionally appropriated or authorized for expenditure.

Second, in Western's opinion, there is no technical justification for automatically exempting smaller wind plants from the Order No. 661 interconnection requirements. In point of fact, a 19.5-MW wind plant comprised of thirteen 1.5-MW units will create a reliability burden nearly identical to a 21-MW wind plant comprised of fourteen 1.5-MW units; similarly, ten 19.5-MW wind plants in an electrically proximate area would have a nearly identical reliability impact

²³ I.e., Western, Bonneville Power Administration, and Southwestern Power Administration.

²⁴ E.g., the addition of static reactive power compensation.

to that of a single 195-MW wind plant. Western's proposed new SGIA Attachment 7 reflects this reality and shields Western's transmission customers from consequent adverse rate impacts, while at the same time protecting smaller wind interconnection customers by requiring Western to prove in its System Impact Study that the stated power factor requirement is necessary to ensure safety or reliability.

6. Article 2.1.1

As a Federal entity, Western is required to inspect all facilities interconnected to its transmission system prior to initial operation to ensure they comply with certain reliability, safety and security, and technical requirements, as set forth in Western's aforementioned General Requirements for Interconnection. Consequently, Western revised SGIA Article 2.1.1 to reflect the fact that the costs of such inspection must be paid by the Interconnection Customer consistent with the Anti-Deficiency Act and Contributed Funds Act.

7. Articles 3.1, 3.3, 5.2.1, 9.3, 12.2 and 12.12, and Attachment 1 – Definition of "Tariff"

As a Federal power marketing administration, Western is not subject to the Commission's jurisdiction under FPA sections 205 or 206, nor does Western file its agreements with the Commission. In like manner, Western is not subject to the jurisdiction of any state regulatory bodies. Consequently, Western revised – or, in the case of Article 12.12, deleted – the specified provisions to reflect these facts, and also revised Article 12.2 to account for the aforementioned deleted provision. (Comparable modifications previously approved by the Commission: LGIA Article 1, Definitions – "Effective Date" and "Tariff," and Articles 2, 2.4, 3, and 4.3.)

8. Article 3.2

Pro forma SGIA Article 3.2 would allow the SGIA to remain effective indefinitely by allowing it to be automatically renewed for each successive one-year period after its initial ten-year effective period. However, this language could result in Western violating the Anti-Deficiency Act, because it would obligate Western to rebuild aging Interconnection Facilities without prior Congressional appropriations or authorization to expend funds. In addition, Western believes it is not prudent to commit the use of Federal facilities on a perpetual basis. Accordingly, Western added language to Article 3.2 explicitly limiting the maximum term of the SGIA to 40 years, along with a requirement that the Interconnection Customer provide five years advance written notice of its intent to extend the term of the SGIA. Western agrees to enter into good faith discussions to extend the term. This modification gives Western the ability to secure necessary construction funds in advance of the need to physically accommodate a SGIA term beyond the typical 40 year lifespan of Interconnection Facilities, thereby providing Western the means to avoid potential violations of the Anti-Deficiency Act. (Comparable modification previously approved by the Commission: LGIA Article 2.2.)

9. New Article 3.3.2, and Articles 3.3.3 through 3.3.6

Western inserted a new SGIA Article 3.3.2 to allow Western to terminate the SGIA “if the Small Generating Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.” Western also renumbered Articles 3.3.3 through 3.3.6 accordingly. (Comparable modification previously approved by the Commission: LGIA Article 2.3.1.)

10. Article 3.3.5

Western appended the missing period to SGIA Article 3.3.5.

11. Articles 3.4.2 and 3.4.4

As discussed above, in view of Western’s strict cost controls and the fact that it is subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits, Western modified various provisions of the pro forma SGIP to allow Western to meet all deadlines using “Reasonable Efforts.” Accordingly, Western made a conforming modification to SGIA Articles 3.4.2 and 3.4.4.

12. Articles 5.2.1, 5.2.1.1, 5.2.1.2, and 5.4

Western revised the specified provisions to clarify how it will provide credits for Network upgrades, including methods for calculating interest on funds advanced for those facilities. These changes reflect Western’s policies toward bill-crediting and payment of interest on capital investments associated with all generator interconnections. In particular, with respect to the 20-year crediting period limit, abiding by that limitation could result in a violation of the Anti-Deficiency Act by potentially obligating Western to make a balloon payment at the end of the 20-year period without having first obtained the necessary Congressional appropriations or authorization for expenditure of funds. Consequently, under revised SGIA Article 5.2.1.1, and as is the case in Western’s Commission-approved LGIA, Western will credit the Interconnection Customer’s invoices without any restriction as to the period of time under which such crediting will occur. (Comparable modifications previously approved by the Commission: LGIA Articles 11.4.1 and 11.4.3.)

13. Articles 5.2.1, 11.1, and 11.2

Western revised the specified provisions to reflect the fact that, as a Federal entity, Western does not pay taxes as a general rule. (Comparable modifications previously approved by the Commission: LGIA Articles 5.17 and 5.18.)

14. Article 5.2.1.2

As was the case with LGIA Article 11.4.1 discussed above, SGIA Article 5.2.1.2 would require Western to reimburse the Interconnection Customer for the cost of any Network

Upgrades if its Small Generating Facility fails to achieve commercial operation and another party makes use of those Network Upgrades. However, as written, this language could result in potential violations of the Anti-Deficiency Act by obligating Western to expend funds for such reimbursement without receiving a prior offsetting payment from the other party. Consequently, Western revised SGIA Article 5.2.1.2 to provide that, before any reimbursement occurs, the party making use of the Network Upgrades must first pay to Western all amounts to be reimbursed to the Interconnection Customer, with such amounts to be subsequently credited by Western to that other party in accordance with the relevant provisions in Western's SGIA.

15. Articles 6, 6.1.1, 6.1.2, 6.3, 6.3.1, and 6.3.2, and New Article 6.3.3

Pro forma SGIA Articles 6.3, 6.3.1, and 6.3.2 would require Western to accept a guarantee, a surety bond, letter of credit or other form of security in lieu of actual payment for procuring, constructing, and installing Network Upgrades and other such facilities. However, Western does not accept a provision of security to perform such services; rather, as explained previously, it requires advance payment to do so consistent with the Contributed Funds Act. Western therefore revised SGIA Articles 6.3.1 and 6.3.2, and added a new Article 6.3.3, to account for this fact, and also made appropriate modifications to Articles 6.1.1 and 6.1.2 and to the titles of Articles 6 and 6.3. (Comparable modifications previously approved by the Commission: LGIA Articles 11.5, 11.5.1, 11.5.2, and 11.5.3.)

16. Articles 7.1.1, 7.1.2, and 7.1.3

Pursuant to the Anti-Assignment Act, Western cannot allow an Interconnection Customer to assign the SGIA to another party absent Western's prior concurrence. Thus, Western modified the specified provisions to reflect this requirement.

17. Articles 7.2 and 7.3.1

Western appended a new provision in SGIA Article 7.2 (and renumbered its subsections accordingly) to specify that Western's liability under the SGIA shall be determined only in accordance with the Commission-approved Tort Claims Act provision set forth in Attachment J of Western's Tariff, and also made conforming revisions within Articles 7.2.1 and 7.3.1. (Comparable modification previously approved by the Commission: LGIA Article 18.1.)

18. Articles 7.3.1 through 7.3.5

Western cannot agree to indemnify the Interconnection Customer as such agreement would result in violations of the Anti-deficiency Act. Thus, Western revised the specified provisions to account for this limitation. (Comparable modifications previously approved by the Commission: LGIA Articles 18.1 and 18.2.)

19. Article 8.2

Western revised SGIA Article 8.2 to reflect the fact that, as a Federal entity, Western is self-insured and as a practice does not purchase insurance. (Comparable modifications previously approved by the Commission: LGIA Articles 18.3 and 18.4.)

20. New Article 9.4

Western added a new SGIA Article 9.4 to allow for the possibility that Western may receive a request to disclose information under the Freedom of Information Act.²⁵ Western notes that this new provision is nearly identical to pro forma LGIA Article 22.1.7 regarding disclosures of information ordered by a court or Governmental Authority, and that its addition provides protection to both Western and its Interconnection Customers.

21. Article 10.5

As discussed above, insofar as Western's experience indicates that the Interconnection Customer will in the vast majority of cases be the cause of any negotiations that occur, and because Western is a non-profit entity that would be forced to shift the costs of such negotiations to its transmission ratepayers, Western revised SGIP section 4.2.5 to make the Interconnection Customer responsible for all costs of negotiations paid to neutral third parties. Accordingly, Western made a conforming modification to SGIA Article 10.5. (Comparable modification previously approved by the Commission: LGIP section 11.2.)

22. Article 12.1

Western revised SGIA Article 12.1 to clarify that, as a Federal entity, Western is governed by Federal or state law, as applicable. (Comparable modifications previously approved by the Commission: LGIA Articles 5.13, 14.2, and 28.1.1.)

23. Article 12.5

Western revised SGIA Article 12.5 to incorporate by reference Attachments J and K of Western's Tariff. (Comparable modification previously approved by the Commission: LGIA Article 30.4.)

24. Article 12.9

Western revised SGIA Article 12.9 to reflect the fact that the President's "Critical Infrastructure Protection Board" is now known as the "National Infrastructure Advisory Council."

²⁵ 5 U.S.C. § 552 (2006).

25. Article 12.10 and Attachment 1

In accordance with its environmental obligations as a Federal entity, Western appended provisions to SGIA Article 12.10 (and renumbered its subsections accordingly) to specify that each Party shall remedy any release of Hazardous Substances present at the interconnection or generation site as soon as practicable, and requiring the Parties to comply with applicable Federal, state and local environmental laws when performing all actions under the SGIA. (Comparable modifications previously approved by the Commission: New LGIA Articles 23.2 and 23.3.)

Further, in light of Western's environmental obligations and the substantive nature of its revisions to Article 12.10, Western capitalized the term "Hazardous Substances" within the Article and added the LGIA's pro forma definition of that term to SGIA Attachment 1.

26. Attachment 1

Western added the LGIA's pro forma definitions of the terms "FERC," "Confidential Information," "Effective Date," "Environmental Law," and "Notice of Dispute" to SGIA Attachment 1 to account for instances of these capitalized but formerly undefined terms throughout the SGIA, and also revised the definition of "Small Generating Facility" to accommodate deletion of the Fast Track and 10 kW Inverter Processes as discussed above.

III. PETITION FOR AN EXEMPTION FROM FILING FEES

Western hereby seeks an exemption in lieu of paying a filing fee applicable to petitions for declaratory orders. As an agency of the United States Department of Energy, Western is engaged in official business of the Federal Government in filing this petition for a declaratory order from the Commission that the modifications to its non-jurisdictional Tariff, including the LGIA, LGIP, SGIA and SGIP, continue to be an acceptable reciprocity tariff. Western is an agency of the United States and, therefore is exempt from filing fees.²⁶

IV. EFFECTIVE DATE

Western requests that the revised Tariff become effective May 1, 2007.

V. SERVICE

Western shall make copies of this filing available for public inspection on its OASIS. A draft Form of Notice in hard copy is included as Attachment C and electronically in .wpd format on the enclosed compact disk. Also included on the compact disk is a complete copy of the filing in .pdf format.

²⁶ 18 C.F.R. §§ 381.102(a), 381.108(a), and 381.302(c).

VI. CONTENTS OF FILING

Along with this transmittal letter, the documents submitted with this filing include:

Attachment A – Western’s proposed Tariff, LGIP, and LGIA redlined, compared with Western’s Tariff conditionally approved by the Commission on July 6, 2005 and Western’s proposed SGIP and SGIA redlined, compared with the Pro Forma documents as revised in Order 2006, 2006-A and 2006-B.

Attachment B – A clean version of Western’s proposed Tariff, including the LGIP, LGIA, SGIP and SGIA.

Attachment C – A Form of Notice suitable for publication in the Federal Register.

VII. COMMUNICATION

Western requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

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Dated this 1st day of March, 2007.

Respectfully submitted,

Ronald J. Klinefelter
Office of General Counsel
Western Area Power Administration

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Lakewood, Colorado, this 1st day of March, 2007.

By: _____
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